

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY, MARCH 2, 2010**, upon the application of **CADEVILLE GAS STORAGE, LLC**.

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **James Zone, Gas Storage Reservoir**, in the Cadeville Field, Ouachita Parish, Louisiana.

1. To designate the James Sand, Reservoir A, as a storage reservoir for natural gas and to define the James Sand, Reservoir A is hereby defined as being the stratigraphic equivalent of that gas and condensate bearing sand encountered between the depths of 5,500' and 5,532' (electric log measurements) in the Fireside Oil & Gas, Inc.-C.S. Read Jr. No. 1 Well, located in Section 28, Township 17 North, Range 2 East.
2. To dissolve the following units JA RA SUA, established by Office of Conservation Order No. 356-E, effective January 31, 1984, JA RA SUD and JA RA SUE, established by Order No. 356-E-2, effective February 26, 1985.
3. To dissolve the following James Zone, Reservoir A, units and simultaneously recreate revised drilling and production units for the exploration for and production of gas and condensate for the James Zone, Reservoir C, dissolve the JA RA SUB, established by Order No. 356-E-1, effective, January 31, 1985; JA RA SUF, established by Order No. 356-E-3, effective January 21, 1986; JA RA SUG, established by Order No. 356-E-7, effective July 18, 1989; JA RA SUI, established by Order No. 356-E-12, effective December 8, 1982; JA RA SUH and JA RA SUJ, established by Order No. 356-E-15, effective November 14, 2006 and recreate the following units: JA RC SUB, JA RC SUF, JA RC SUG, JA RC SUH, JA RC SUI and JA RC SUJ.
4. To reclassify the following JA RA SUC, established by Order No. 356-E-1, effective January 31, 1985 and JA RA SUK through JA RA SUP, established by Order No. 356-E-15, effective November 14, 2006 as JA RC SUC and JA RC SUK through JA RC SUP.
5. To define the James Zone, Reservoir C, as being the stratigraphic equivalent of that gas and condensate bearing zone encountered between the depths of 5,360' and 5,670' (electrical log measurements) in the Diamond Shamrock-Verlee German No. 1 Well, located in Section 25, Township 17 North, Range 1 East.
6. To define the limits of the storage reservoir and such adjacent lands as may be necessary to be included in a storage area for the protection of the storage reservoir and to designate the same as the James Sand Gas Storage Area, CVD JA RA GSA.
7. To determine that the storage reservoir to be used for the injection, storage and withdrawal of natural gas is suitable and feasible for use as an underground storage reservoir for natural gas.
8. To determine that the use of such underground reservoir for the storage of natural gas will not contaminate other formations containing fresh water, oil, gas or other commercial mineral deposits.
9. To determine that the proposed storage will not endanger lives or property.
10. To determine that the volumes of original reservoir gas and condensate content which were capable of being produced in paying quantities have all been produced and that the underground reservoir is fully depleted of the original commercially recoverable natural gas and condensate contents therein; or, in the alternative, to determine the amount of remaining commercially recoverable natural gas and condensate content and that the reservoir has a greater value or utility as an underground reservoir for gas storage than for the production of any remaining volumes of original reservoir natural gas and condensate content.

CADEVILLE FIELD

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- 11.To designate Cadeville Gas Storage, LLC as the operator of the James Sand Gas Storage Area, CVD JA RA GSA, and as the party exclusively authorized (along with its successors and assigns) to use the James Sand Gas Storage Area, CVD JA RA GSA, for the injection, storage and withdrawal of natural gas.
- 12.To provide that all natural gas which has previously been reduced to possession and which is subsequently injected into the underground storage reservoir shall at all times be deemed the property of the injector, his successors, assigns and/or customers, and in no event shall such gas be subject to the right of the owner of the surface of the lands or of any mineral interest therein under which such underground storage reservoir shall lie or be adjacent to or of any person other than the injector, his successors and assigns and/or customers to produce, take, reduce to possession, waste or otherwise interfere with or exercise any control thereover, provided that the injector, his successors, assigns and customers shall have no right to gas in any stratum or portion thereof not determined by the commissioner to constitute an approved underground storage reservoir.
- 13.To establish rules and regulations for the protection of the underground storage reservoir against pollution and against the escape of natural gas therefrom, including such necessary rules and regulations pertaining to the drilling and operation into or through such underground storage reservoir or any formation located 100' above or 170' below the gas storage reservoir (including restricting completions in any formation located 100' above or 170' below the gas storage reservoir).
- 14.To further establish rules and regulations that require wells to be located no closer than 330 feet outside of the storage reservoir.
- 15.To establish rules and regulations governing the development and operation of the storage reservoir as well as all other matters that may be necessary pursuant to the provisions of Sections 6 and 22, Title 30 of the Louisiana Revised Statutes of 1950, as amended.
- 16.To consider such other matters as may be pertinent.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Monroe**, Louisiana.

<http://dnr.louisiana.gov/conshearings>

All parties having interest therein shall take notice thereof.

BY ORDER OF:

**JAMES H. WELSH
COMMISSIONER OF CONSERVATION**

Baton Rouge, LA

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IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED ASSISTANCE, PLEASE CONTACT THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.